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**OCT 26 2012**

**OFFICE OF THE SECRETARY**

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-15003

**In the Matter of**

**DANIEL BOGAR,  
BERNERD E. YOUNG, and  
JASON T. GREEN**

**Respondents.**

**ORIGINAL ANSWER OF RESPONDENT JASON T. GREEN  
TO THE ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS**

In response to the Order Instituting Administrative Proceedings (“OIP”), Respondent Jason T. Green (“Green”) respectfully states:

**I.**

Green denies that it is appropriate or in the public interest to initiate this OIP against Green.

**II.**

1. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 1, and the allegations are therefore denied.

2. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 2, and the allegations are therefore denied.

3. Green admits the allegations in paragraph 3 except that Green is 50 years old and does not currently hold any securities licenses.

4. Green admits that SGC was a Houston based company. Green does not have, and is unable to obtain, sufficient information to either admit or deny the remaining allegations in Paragraph 4, and the allegations are therefore denied.

5. Green admits that SGC's business included sales of CD's issued by SIB. Green does not have, and is unable to obtain, sufficient information to either admit or deny the remaining allegations in Paragraph 5, and the allegations are therefore denied.

6. Green denies that SIB operated for the sole purpose of selling CDs; SIB had other time deposit accounts available for non-US clients. Green does not have, and is unable to obtain, sufficient information to either admit or deny the remaining allegations in Paragraph 6, and the allegations are therefore denied.

7. Green admits that SIB offered and sold CDs to U.S. investors exclusively through its affiliate SGC and its associated FAs. Green does not have, and is unable to obtain, sufficient information to either admit or deny the remaining allegations in Paragraph 7, and the allegations are therefore denied.

8. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 8, and the allegations are therefore denied.

9. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 9, and the allegations are therefore denied.

10. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 10, and the allegations are therefore denied.

11. Green admits the allegations in Paragraph 11.

12. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 12, and the allegations are therefore denied.

13. Green admits that he traveled to Antigua, but denies the characterizations of the purpose for any trips he took or meetings he attended. Green admits that he reviewed SIB's annual reports, quarterly market recap reports, and the offering documents used by SGC to market SIB's CDs to U.S. investors, but not in connection with any trips to Antigua. Green further admits that he toured SIB's facilities and participated in meetings chaired by SIB executives. During these meetings, bank officials showed the Respondents, among other things, PowerPoint presentations about the history of Antigua, general operations of the bank, the Antiguan regulatory process, and the investment parameters that SIB purportedly used to manage its portfolio. Green is without sufficient information to either admit or deny the remaining allegations in Paragraph 13, and the allegations are therefore denied.

14. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 14, in part because it is unclear what is being referred to as the "offering documents," and the allegations are therefore denied. Green admits his belief that the investment portfolio underlying the SIB CDs was primarily liquid or easily liquidated assets, SIB's financial statements were audited, that SIB had certain levels of depositor security, and that SIB maintained certain types of insurance.

15. Green admits he trained FAs in the sale of SIB CDs. Green denies that he distributed a training manual. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 15, in part because it is unclear what is being referred to as the "training manual" or the "offering documents," and the allegations are therefore denied.

16. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 16, in part because it is unclear what is being referred to as the “offering documents,” and the allegations are therefore denied.

17. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 17, in part because it is unclear what is being referred to as the “training manual,” and the allegations are therefore denied.

18. Green admits that he knew, as did the Commission and SROs, that SIB did not allow SGC to review and confirm SIB’s investment portfolio. Green also admits he and others at SGC received information that he believed to be accurate regarding SIB’s historical performance and liquidity, including the offering documents filed with or otherwise provided to the SEC and SROs. Green denies that he had authority to require SGC to make disclosures about SIB’s investment portfolio underlying the SIB CDs. Green admits that he knew that SIB did not maintain any private insurance for protecting investors, and that he believed and understood that SIB had purchased an insurance policy for its own protection. Green admits that he suggested SIB engage a larger audit firm and that other FAs had made the same suggestion, but denies the Commission’s characterization of this fact. Green either denies or does not have, and is unable to obtain, sufficient information to either admit or deny the remainder of the allegations in Paragraph 18, and the allegations are therefore denied.

19. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in paragraph 20 as to Bogar and Young, and denies the allegations as to Green.

20. Green admits that Allen Stanford initiated a sales contest designed to grow SIB CD sales, admits that Green was appointed as the Captain of the team called the Superstars, and

admits that information regarding the sales of CDs by individual FAs was compiled on a spreadsheet. Green either denies the remaining allegations in Paragraph 20, or is without sufficient information to either admit or deny the same, and they are therefore denied.

21. Green denies that he developed any models as alleged and either denies, or is without sufficient information to either admit or deny the remaining allegations in Paragraph 21, and the allegations are therefore denied.

22. Green either denies the allegations in Paragraph 22, or is without sufficient information to either admit or deny the same, and the allegations are therefore denied.

23. Green either denies the allegations in Paragraph 23, or is without sufficient information to either admit or deny the same, and the allegations are therefore denied.

24. Green is without sufficient information to either admit or deny the allegations in Paragraph 24 as to Bogar and Young. Green admits that he received compensation from the SIB CD sales, but that a significant portion of the bonuses were deducted from his pay check and allocated to his team partners and never received by him. Green either denies, or is without sufficient information to either admit or deny, the remaining allegations in Paragraph 24, and the allegations are therefore denied.

25. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 25, and the allegations are therefore denied.

26. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 26, and the allegations are therefore denied.

### **III.**

27. Green does not have, and is unable to obtain, sufficient information to either admit or deny the allegations in Paragraph 25, and the allegations are therefore denied.

28. Green admits that he sold millions of dollars of SIB CDs in his capacity as a FA. Green admits that he used the offering documents that were part of the Regulation D filing with the SEC, but denies that he knew or was reckless in not knowing that any such documents or other documents contained misleading or incomplete statements. Green denies the remaining allegations in Paragraph 28.

29. Green denies the allegations in Paragraph 29.

30. Green denies the allegations in Paragraph 30.

31. Green denies the allegations in Paragraph 31.

32. Green denies the allegations in Paragraph 32.

33. Green denies the allegations in Paragraph 33.

#### **AFFIRMATIVE DEFENSES**

34. The Commission's claims are barred in whole or in part because the Commission fails to state a claim upon which relief can be granted.

35. The Commission's claims are barred in whole or in part by statute of limitations.

36. The Commission's claims are barred in whole or in part by lack of jurisdiction because the SIB CDs are not "securities" under either 15 U.S.C. § 77b(1), § 78c(a)(10), or § 80b-2(18).

37. The Commission's claims are barred in whole or in part by laches because the Commission delayed unreasonably and inexcusably in commencing this action and Green suffered prejudice as a result.

38. The Commission's claims are barred in whole or in part by estoppel because Green detrimentally relied on its repeated, insufficient investigations of SIB that suggested to the public that SIB was in compliance with applicable laws, as well as its failure to disclose to the

public information that would have suggested to Green, the public, and others that SIB was in fact not in compliance with applicable law, as early as 2005.

39. Green is not liable because he did not make any false or misleading statement of material fact, or omit any material fact when he had a duty to speak, and is not responsible in law or in fact for any alleged false or misleading statement of material fact by others.

40. At all times mentioned in the OIP and with respect to all matters contained therein, Green acted in good faith, and did not know, and in the exercise of reasonable care could not have known, of any misrepresentation, misleading statement or omission alleged in the OIP.

41. The Commission's claims are barred in whole or in part because Green did not at any time act with the intent to deceive, manipulate, or defraud investors or anyone.

42. The Commission's claims are barred, in whole or in part, to the extent that it seeks to impose upon Green disclosure obligations that are inconsistent with those imposed pursuant to the federal securities laws.

43. The Commission's claims are barred, in whole or in part, to the extent that any alleged misrepresentations or omissions would not have been deemed "material" by a reasonable investor in light of the totality of the circumstances.

44. The Commission's claims are barred in whole or in part because it engaged in selective civil enforcement by failing to bring enforcement actions against similarly situated persons despite their non-compliance with the law, based on unjustifiable and arbitrary considerations.

Respondent Jason T. Green denies that the Commission is entitled to the relief sought and prays that the Court dismiss all allegations against Green herein. Green respectfully requests that

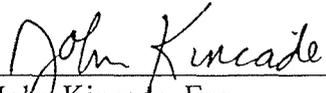
he be granted all relief as a prevailing Respondent as provided in all applicable federal statutes, regulations and rules.

Dated: October 25, 2012

Respectfully submitted,

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- and -

	
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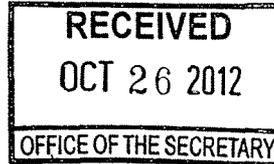
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*Via Facsimile*

Re: *In the Matter of Daniel Bogar, Bernerd E. Young, and Jason T. Green*  
Administrative No. 3-15003

Dear Sir or Madam:

Pursuant to Rule 151, enclosed please find an original and three copies, along with the confirmed facsimile transmission of the *Original Answer of Respondent Jason T. Green to the Order Instituting Administrative Proceedings and Respondent Jason T. Green's Motion for a More Definite Statement.*

Thank you for your courtesy and attention in this matter.

Very truly yours,

John P. Kincade

JPK/gkc

cc: Honorable Carol Fox Foelak (*Via Federal Express & E-Mail*)(w/encl.)  
Thomas L. Taylor, Esq. (*Via CMRRR & E-Mail*)(w/encl.)  
David Reece, Esq. (*Via CMRRR & E-Mail*)(w/encl.)  
Bernerd E. Young (*Via CMRRR & E-Mail*)(w/encl.)  
Mr. Jason Green (*Via E-Mail*)(w/encl.)  
George Freeman, III (*Via E-Mail*)(w/encl.)